GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:257
ANSWERED ON:03.02.2017
Complaints against Banks Officials
Verma Shri Rajesh

Will the Minister of FINANCE be pleased to state:

a) the number of banks officials who have unfairly given loans to companies misusing their official post during the last five years, bank-wise;
(b) the action taken the Government against such fraudulent bank officials bank and State − Wise;
(c) the loss incurred by the Government in giving loans to fraudulent companies and the details of such companies which have became Non − performing Assets; and
(d) the steps taken by the Government to stop such frauds in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a): The details given by Reserve Bank of India (RBI) regarding the number of fraud cases where staff is involved in borrowal accounts reported by banks during the period from 01.04.2011 to 31.12.2016 are given in Annex-I.

(b):Action against the officials involved, is taken by the bank concerned as per their internal rules & regulation. The state wise/ bank wise, bank officials suspended in fraud under category of loan/borrowable accounts are given in Annex-II.

(c):RBI has informed that the extent of loss incurred by the banks under category borrowal account frauds for the financial year 2015-16 is Rs.15841 crores and that banks have reported 2256fraud accounts during the financial year 2015-16.

(d):RBI has issued Master Direction on "Frauds − Classification and reporting" vide RBI. DBS.CFMC.BC.No.1/23.04.001/2016-17 dated July 01, 2016 containing all the details/aspects relating to frauds. To compress the time taken in detection of fraud, a framework for handling loan frauds has been put in place. Objective of this framework is to direct the focus of banks on the aspects relating to prevention, early detection, prompt reporting to the RBI and the investigative agencies (for instituting criminal proceedings against the fraudulent borrowers) and timely initiation of the staff accountability proceedings. The framework also seeks to stipulate time lines with the action incumbent on a bank. Further, the framework has also prohibited banks from extending bank finance to borrowers who have defaulted and also committed a fraud for five years from the date of full payment of the defrauded amount.On receipt of fraud reports from banks, various aspects related to the frauds are examined and concerned banks are advised to report the case to Central Bureau of Investigation/ Police/ Serious Fraud Investigation Office, examine staff accountability, complete proceedings against the erring staff expeditiously, take steps to recover the amount involved in the fraud, claim insurance wherever applicable and streamline the system as also procedures so that frauds do not recur.
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ANNEX-I

ANNEXURE REFERRED IN REPLY TO PART(A) OF UNSTARREDQUESITON NO. 257 DUE FOR ANSWER ON 03.02.2017 IN LOK SABHA.

Details of Number of fraud cases where staff is involved in borrowal accounts reported by banks during the period April1, 2011 to December 31, 2016.

Bank Names	No. of fraud cases
Allahabad Bank	14
Andhra Bank	20
Axis Bank Ltd.	25
Bandhan Bank Ltd.	9
Bank of Baroda	36
Bank of India	28
Bank of Maharashtra	16
Barclays Bank Plc	1
Canara Bank	29
Catholic Syrian Bank Ltd.	7
Central Bank of India	17

Citibank N.A. 2
City Union Bank Ltd. 2
Corporation Bank 50
Dena Bank 8
Dhanlaxmi Bank Limited 10
Equitas Small Finance Bank Limited 1
Federal Bank Ltd. 21
HDFC Bank Ltd. 45
ICICI Bank Ltd. 19
IDBI Bank Limited 13
IFCI LTD. 2
Indian Bank 17
Indian Overseas Bank 55
IndusInd Bank Ltd. 4
ING Vysya Bank Ltd. 2
Jammu & Kashmir Bank Ltd. 5
Karnataka Bank Ltd. 12
KarurVysya Bank Ltd. 9
Kotak Mahindra Bank Ltd. 5
Lakshmi Vilas Bank Ltd. 5
Oriental Bank of Commerce 9
Punjab & Sind Bank 9
Punjab National Bank 16
South Indian Bank Ltd. 4
Standard Chartered Bank 4
State Bank of Bikaner & Jaipur 7
State Bank of Hyderabad 14
State Bank of India 149
State Bank of Mysore 6
State Bank of Patiala 4
State Bank of Travancore 12
Syndicate Bank 40
Tamilnad Mercantile Bank Ltd. 4
UCO Bank 75
Union Bank of India 11
United Bank of India 1
Vijaya Bank 9
Yes Bank Ltd 2
Grand Total 865
ANNEX-II
ANNEXURE REFERRED IN REPLY TO PART(B) OF UNSTARREDQUESITON NO. 257 DUE FOR ANSWER ON 03.02.2017 IN LOK SABHA.

Details of Bank officials suspended in connection with -Borrowal Account Frauds-Bankwise&Statewisereported by banks during the period April1, 2011 to December 31, 2016.
Bankwise/Statewsie No. of officials
Allahabad Bank 65
Andhra Pradesh 1
Bihar 3
Delhi 3
Gujarat 6
Karnataka 3
Madhya Pradesh 3
Maharashtra 3
Orissa 1
Uttar Pradesh 11
Uttaranchal 1
West Bengal 30
Andhra Bank 36
Andhra Pradesh 20
Chandigarh 1
Haryana 1
Karnataka 3
Maharashtra 1
Rajasthan 1
West Bengal 9
Axis Bank Ltd. 11
Andhra Pradesh 1
Assam 1
Delhi 4

Karnataka 1
Maharashtra 2
Punjab 1
West Bengal 1
Bandhan Bank Ltd. 12
Assam 1
Delhi 1
Madhya Pradesh 2
Uttar Pradesh 6
West Bengal 2
Bank of Baroda 57
Andhra Pradesh 2
Assam 1
Bihar 6
Delhi 2
Gujarat 4
Madhya Pradesh 4
Maharashtra 7

Punjab 13
Tamil Nadu 3
Uttar Pradesh 13
Uttaranchal 2
Bank of India 9
Andhra Pradesh 2
Gujarat 1
Jharkhand 1
Kerala 1
Madhya Pradesh 2
Maharashtra 2
Bank of Maharashtra 13
Delhi 1
Madhya Pradesh 1
Maharashtra 8
Rajasthan 2
Tamil Nadu 1
Canara Bank 24
Andhra Pradesh 2
Assam 1
Goa 1
Gujarat 2
Haryana 1
Karnataka 5
Orissa 1
Rajasthan 2
Tamil Nadu 3
Uttar Pradesh 1
West Bengal 5
Catholic Syrian Bank Ltd. 19
Chandigarh 2
Maharashtra 1
Orissa 1
Tamil Nadu 12
West Bengal 3
Central Bank of India 55
Andhra Pradesh 4
Bihar 4
Delhi 9
Gujarat 1
Jharkhand 3
Kerala 1
Madhya Pradesh 4
Maharashtra 9
Punjab 2
Sikkim 1
Tamil Nadu 9
Uttar Pradesh 1
West Bengal 7
Citibank N.A. 2
Karnataka 1
Maharashtra 1

City Union Bank Ltd. 3
Andhra Pradesh 2
Tamil Nadu 1
Corporation Bank 36
Andhra Pradesh 1
Assam 1
Bihar 1
Delhi 17
Karnataka 1
Kerala 2
Maharashtra 1
Orissa 1
Punjab 1
Tamil Nadu 3
Uttar Pradesh 5
West Bengal 2
Dena Bank 31
Andhra Pradesh 1
Chhattisgarh 1
Delhi 4
Gujarat 7
Haryana 2
Himachal Pradesh 1
Karnataka 1
Maharashtra 11
Uttar Pradesh 2
West Bengal 1
Dhanlaxmi Bank Limited 26
Delhi 19
Kerala 2
Tamil Nadu 2
Uttar Pradesh 3
Federal Bank Ltd. 23
Kerala 1
Maharashtra 1
Rajasthan 1
Tamil Nadu 1
Uttar Pradesh 19
HDFC Bank Ltd. 1
Tamil Nadu 1
ICICI Bank Ltd. 11
Andhra Pradesh 1
Maharashtra 10
IDBI Bank Limited 28
Andhra Pradesh 25
Jharkhand 1
West Bengal 2
IFCI LTD. 1
Karnataka 1
Indian Bank 54
Andhra Pradesh 10
Bihar 2
Gujarat 2
Himachal Pradesh 1
Karnataka 1
Madhya Pradesh 1
Maharashtra 1
Orissa 3
Tamil Nadu 29
Uttar Pradesh 2
West Bengal 2
Indian Overseas Bank 97
Andhra Pradesh 37
Chandigarh 2
Delhi 1
Karnataka 14
Kerala 2
Maharashtra 10
Orissa 3
Punjab 2
Tamil Nadu 25

West Bengal 1
IndusInd Bank Ltd. 2
Karnataka 1
Tamil Nadu 1
Jammu & Kashmir Bank Ltd. 15
Delhi 5
Jammu & Kashmir 10
Karnataka Bank Ltd. 17
Bihar 2
Goa 1
Karnataka 6
Tamil Nadu 8
KarurVysya Bank Ltd. 12
Karnataka 3
Tamil Nadu 9
Kotak Mahindra Bank Ltd. 1
Punjab 1
Lakshmi Vilas Bank Ltd. 18
Andhra Pradesh 1
Delhi 7
Gujarat 8
Tamil Nadu 2
Nainital Bank Ltd. 4
Uttaranchal 4
Oriental Bank of Commerce 42
Andhra Pradesh 3
Bihar 5
Chandigarh 6
Delhi 6
Gujarat 1
Haryana 4
Maharashtra 1
Punjab 6
Tamil Nadu 1
Uttar Pradesh 8
West Bengal 1
Punjab & Sind Bank 15
Chandigarh 7
Maharashtra 1
Punjab 4
Uttar Pradesh 2
West Bengal 1
Punjab National Bank 118
Andhra Pradesh 3
Bihar 2
Delhi 51
Gujarat 2
Haryana 1
Himachal Pradesh 1
Jharkhand 4
Karnataka 1
Kerala 1
Madhya Pradesh 3
Maharashtra 18
Punjab 8
Rajasthan 7
Uttar Pradesh 8
Uttaranchal 6
West Bengal 2
RBL Bank Ltd. 2
Maharashtra 2
South Indian Bank Ltd. 24
Delhi 13
Haryana 1
Kerala 3
Punjab 1
Tamil Nadu 5
Uttaranchal 1
Standard Chartered Bank 1
Haryana 1
State Bank of Bikaner & Jaipur 15

Gujarat 3
Haryana 2
Maharashtra 1
Rajasthan 9
State Bank of Hyderabad 13
Andhra Pradesh 11
Karnataka 1
West Bengal 1
State Bank of India 132
Andaman & Nicobar Islands 1
Andhra Pradesh 38
Assam 1
Bihar 1
Chhattisgarh 2
Gujarat 6
Jammu & Kashmir 1
Karnataka 7
Kerala 1
Madhya Pradesh 8
Maharashtra 3
Manipur 1
Nagaland 1
Orissa 15
Pondicherry 1
Punjab 3
Rajasthan 3
Tamil Nadu 15
Tripura 1
Uttar Pradesh 9
West Bengal 13
State Bank of Mysore 73
Karnataka 72
Maharashtra 1
State Bank of Patiala 33
Gujarat 10
Jammu & Kashmir 13
Punjab 6
Uttar Pradesh 3
West Bengal 1
State Bank of Travancore 28
Andhra Pradesh 2
Delhi 5
Kerala 7
Tamil Nadu 7
Uttar Pradesh 6
West Bengal 1
Syndicate Bank 103
Andhra Pradesh 8
Bihar 1
Karnataka 6
Kerala 3
Madhya Pradesh 1
Maharashtra 2
Mizoram 1
Orissa 4
Punjab 1
Rajasthan 6
Uttar Pradesh 28
Uttaranchal 1
West Bengal 41
Tamilnad Mercantile Bank Ltd. 16
Andhra Pradesh 4
Delhi 1
Maharashtra 5
Tamil Nadu 6
UCO Bank 191
Assam 2
Bihar 1
Chandigarh 1
Delhi 3
Gujarat 1

Jharkhand 3
Madhya Pradesh 12
Maharashtra 14
Orissa 1
Punjab 72
Tamil Nadu 74
West Bengal 7
Union Bank of India 16
Andhra Pradesh 1
Assam 1
Gujarat 2
Karnataka 1
Maharashtra 5
Tamil Nadu 1
Uttar Pradesh 4
West Bengal 1
United Bank of India 151
Assam 2
Bihar 2
Karnataka 21
Kerala 1
Orissa 36
West Bengal 89
Vijaya Bank 18
Andhra Pradesh 3
Chandigarh 2
Delhi 2
Karnataka 1
Kerala 1
Maharashtra 3
Punjab 3
Tamil Nadu 2
Uttar Pradesh 1
Grand Total 1674